# Calendar No. 392

103 d CONGRESS **S. 1146** 

[Report No. 103-239]

# A BILL

To provide for the settlement of the water rights claims of the Yavapai-Prescott Indian Tribe in Yavapai County, Arizona, and for other purposes.

March 22 (legislative day, February 22), 1994
Reported wtih an amendment

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103D CONGRESS 2D SESSION

# S. 1146

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To provide for the settlement of the water rights claims of the Yavapai-Prescott Indian Tribe in Yavapai County, Arizona, and for other purposes.

#### IN THE SENATE OF THE UNITED STATES

June 23 (legislative day, June 22), 1993

Mr. McCain introduced the following bill; which was read twice and referred to the Committee on Indian Affairs

MARCH 22 (legislative day, February 22), 1994
Reported by Mr. MITCHELL (for Mr. INOUYE), with an amendment
[Strike out all after the enacting clause and insert the part printed in italic]

## A BILL

To provide for the settlement of the water rights claims of the Yavapai-Prescott Indian Tribe in Yavapai County, Arizona, and for other purposes.

- 1 Be it enacted by the Senate and House of Representa-
- 2 tives of the United States of America in Congress assembled,
- 3 SECTION 1. SHORT TITLE.
- 4 This Act may be cited as the "Yavapai-Prescott
- 5 Indian Tribe Water Rights Settlement Act of 1993".

#### SEC. 2. CONCRESSIONAL FINDINGS AND DECLARATIONS.

1	SEC. 2. CONGRESSIONAL FINDINGS AND DECLARATIONS.
2	(a) FINDINGS.—The Congress finds that—
3	(1) it is the policy of the United States, in ful-
4	fillment of its trust responsibility to the Indian
5	tribes, to promote Indian self-determination and eco-
6	nomic self-sufficiency, and to settle, wherever pos-
7	sible, the water rights claims of Indian tribes with-
8	out lengthy and costly litigation;
9	(2) meaningful Indian self-determination and
10	economic self-sufficiency depend on the development
11	of viable Indian reservation economies;
12	(3) quantification of rights to water and devel-
13	opment of facilities needed to utilize tribal water
14	supplies effectively is essential to the development of
15	viable Indian reservation economies, particularly in
16	arid western States;
17	(4) on June 7, 1935, and by actions subsequent
18	thereto, the United States established a reservation
19	for the Yavapai-Prescott Indian Tribe in Arizona ad-
20	jacent to the city of Prescott;
21	(5) proceedings to determine the full extent of
22	Yavapai Prescott Tribe's water rights are currently
23	pending before the Superior Court of the State of
24	Arizona in and for Maricopa County, as part of the

general adjudication of the Gila River system and

source;

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(6) recognizing that final resolution of the general adjudication will take many years and entail great expense to all parties, prolong uncertainty as to the full extent of the Yavapai Prescott Tribe's entitlement to water and the availability of water supplies to fulfill that entitlement, and impair orderly planning and development by the Tribe and the city of Prescott; the Tribe, the city of Prescott, the Chino Valley Irrigation District, the State of Arizona and the United States have sought to settle all claims to water between and among them;

(7) representatives of the Yavapai-Prescott
Tribe, the city of Prescott, the Chino Valley Irrigation District, the State of Arizona and the United
States have negotiated a Settlement Agreement to
resolve all water rights claims between and among
them, and to provide the Tribe with long term, reliable water supplies for the orderly development and
maintenance of the Tribe's reservation;

(8) pursuant to the Settlement Agreement and the Water Service Agreement, the quantity of water made available to the Yavapai-Prescott Tribe by the city of Prescott and the Chino Valley Irrigation District will be secured, such Agreements will be continued in perpetuity, and the Tribe's continued on res-

ervation use of water for municipal and industrial,
recreational and agricultural purposes will be provided for:

(9) to advance the goals of Federal Indian policy and to fulfill the trust responsibility of the United States to the Tribe, it is appropriate that the United States participate in the implementation of the Settlement Agreement and contribute funds to firm up the city of Prescott and the Yavapai-Prescott Tribe's long-term water supplies so as to enable the Tribe to utilize fully its water entitlements in developing a diverse, efficient reservation economy; and

(10) providing funds for the acquisition and development of replacement water in exchange for the CAP contract of the Yavapai-Prescott Tribe and the CAP subcontract of the city of Prescott is a cost-effective means for the United States to ensure reliable, long-term water supplies for the Yavapai-Prescott Tribe and to promote efficient, environmentally sound use of available water supplies in the Verde River basin.

- 22 (b) DECLARATION OF PURPOSES. The Congress de-23 clares that the purposes of this Act are:
- 24 (1) to approve, ratify and confirm the Settle-25 ment Agreement among the Yavapai-Prescott Tribe,

- the city of Prescott, the Chino Valley Irrigation District, the State of Arizona and the United States;
  - (2) to authorize and direct the Secretary of the
    Interior to execute and perform the Settlement
    Agreement;
    - (3) to authorize the actions and appropriations necessary for the United States to fulfill its legal and trust obligations to the Yavapai-Prescott Tribe as provided in the Settlement Agreement and this Act:
    - (4) to authorize appropriation of such sums as may be agreed upon by the Secretary, city of Prescott, and the Yavapai-Prescott Tribe as necessary for the Secretary to acquire the contract of the Yavapai-Prescott Tribe for 500 acre-feet of CAP water and the subcontract of the city of Prescott for 7,167 acre-feet of CAP water for use in the settlement of water rights of other Indian tribes having claims to the water in the Salt and Verde River system;
    - (5) to require that expenditures of such appropriations by the Yavapai Prescott Tribe and Prescott for the acquisition or development of replacement water supplies in the Verde River basin shall not be inconsistent with the goals of the Prescott Active

- Management Area, preservation of riparian habitat,
   flows and biota of the Verde River and its tributaries;
- 4 (6) to authorize the Secretary to substitute all 5 or part of CAP Indian and non-Indian municipal 6 and industrial priority water acquired pursuant to 7 this Act for CAP water of agricultural or municipal and industrial priority acquired by the Secretary 8 9 pursuant to Public Law 101-628, the Fort McDowell Indian Community Water Rights Settle-10 11 ment Act, and assigned to that Community; and
  - (7) to repeal section 406(k) of Public Law 101–628 which authorizes \$30,000,000 in appropriations for the acquisition of land and water resources in the Verde River basin and for the development thereof as an alternative source of water for the Fort McDowell Indian Community.

#### 18 **SEC. 3. DEFINITIONS.**

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- For purposes of this Act:
- 20 (1) The term "CAP" means the Central Ari-21 zona Project, a reclamation project authorized under 22 title III of the Colorado River Basin Project Act of 23 1968 (43 U.S.C. 1521 et seq.).
- 24 (2) The term "CAWCD" means the Central Ar-25 izona Water Conservation District, organized under

- the laws of the State of Arizona, which is the contractor under a contract with the United States, dated December 1, 1988, for the delivery of water and repayment of costs of the Central Arizona Project.
  - (3) The term "CVID" means the Chino Valley Irrigation District, an irrigation district organized under the laws of the State of Arizona.
  - (4) The term "Community" means the Fort McDowell Indian Community, a community of Yavapai Indians organized under section 16 of the Indian Reorganization Act of June 18, 1934 (25 U.S.C. 476), and duly recognized by the Secretary.
  - (5) The term "Prescott AMA" means the Active Management Area, established pursuant to Arizona law and encompassing the Prescott ground water basin, wherein the primary goal is to achieve balance between annual ground water withdrawals and natural and artificial recharge by the year 2025.
  - (6) The term "Prescott" means the city of Prescott, an Arizona municipal corporation.
  - (7) The term "Reservation" means the reservation established by the Act of June 7, 1935 (49 Stat. 332) and the Act of May 18, 1956 (70 Stat. 157) for the Yavapai Prescott Tribe of Indians.

- 1 (8) The term "Secretary" means the Secretary
  2 of the United States Department of the Interior.
- (9) The term "Settlement Agreement" means
  that agreement entered into by the city of Prescott,
  the Chino Valley Irrigation District, the YavapaiPrescott Indian Tribe, the State of Arizona, and the
  United States, providing for the settlement of all
  water claims between and among them.
- 9 (10) The term "Tribe" means the Yavapai-10 Prescott Indian Tribe, a tribe of Yavapai Indians 11 duly recognized by the Secretary.
- 12 (11) The term "Water Service Agreement"
  13 means that agreement between the Yavapai Prescott
  14 Indian Tribe and the city of Prescott providing for
  15 water, sewer, and effluent service from the city of
  16 Prescott to the Yavapai Prescott Tribe.

#### 17 SEC. 4. RATIFICATION OF SETTLEMENT AGREEMENT.

18 (a) Approval of Settlement Agreement. To
19 the extent the Settlement Agreement does not conflict with
20 the provisions of this Act, such Agreement is approved,
21 ratified and confirmed. The Secretary shall execute and
22 perform such Agreement, and shall execute any amend23 ments to the Agreement and perform any action required
24 by any amendments to the Agreement which may be mutu25 ally agreed upon by the parties.

- 1 (b) PERPETUITY. The Settlement Agreement and
- 2 Water Service Agreement shall include provisions which
- 3 will ensure that the benefits to the Tribe thereunder shall
- 4 be secure in perpetuity. Notwithstanding the provisions of
- 5 section 2103 of the Revised Statutes of the United States
- 6 (25 U.S.C. 81) relating to the term of the Agreement, the
- 7 Secretary is authorized and directed to approve the Water
- 8 Service Agreement with a perpetual term.

#### 9 SEC. 5. ACQUISITION AND ALLOCATION OF CAP WATER.

- 10 (a) Acquisition of Contracts.—The Secretary is
- 11 authorized and directed to acquire the CAP contract of
- 12 the Tribe, and the CAP subcontract of the city of Prescott
- 13 in exchange for an appropriate share of funds appro-
- 14 priated to the Verde River Basin Water Fund established
- 15 pursuant to section 6.
- 16 (b) ALLOCATION OF WATER.—The Secretary may al-
- 17 locate to the Fort McDowell Indian Community all or part
- 18 of the water acquired pursuant to section 5(a) directly or
- 19 in lieu of water which the Secretary acquired from the
- 20 Harquahala Valley Irrigation District (hereinafter
- 21 "HVID") pursuant to section 406(b) of the Act of Novem-
- 22 ber <del>28, 1990 (Public Law 101–628; 104 Stat. 4483), and</del>
- 23 allocated to the Community in fulfillment of the United
- 24 States' obligations. In the event the Secretary allocates
- 25 water acquired pursuant to section 5(a) in lieu of water

- 1 acquired from the HVID, the Secretary may reallocate
- 2 HVID water to one or more other Arizona Indian tribes,
- 3 bands or communities with claims to the Salt and Verde
- 4 River System. The Secretary may reallocate HVID water
- 5 either with its original CAP agricultural priority or as con-
- 6 verted to a CAP Indian priority.
- 7 (c) PRIORITY.—The priority of water acquired under
- 8 this section, if allocated by the Secretary to the Commu-
- 9 nity, or to any other Arizona Indian tribe, band or commu-
- 10 nity, shall be the same as established in the Notice of
- 11 Final Water Allocations to Indian and non-Indian Water
- 12 Users and Related Decisions, dated March 24, 1983 (48
- 13 FR 2446 et seq.). The Community or any other Arizona
- 14 tribe, band or community to whom such water may be allo-
- 15 cated shall pay the United States or, if directed by the
- 16 Secretary, the CAWCD, all operation, maintenance and
- 17 replacement costs associated with such CAP water. Water
- 18 service capital charges, or any other charges or payments
- 19 for such CAP water other than operation, maintenance
- 20 and replacement costs shall be nonreimbursable.
- 21 (d) Exclusion of Certain Costs.—The Secretary
- 22 shall, for the purpose of determining the allocation and
- 23 repayment of costs of the CAP as provided in Article 9.3
- 24 of Contract No. 14-06-W-245, Amendment No. 1, be-
- 25 tween the United States and the CAWCD dated December

- 1 1, 1988, and any amendment or revision thereof, exclude
- 2 the costs associated with water acquired under this section
- 3 from the CAWCD's repayment obligation and such costs
- 4 shall be nonreimbursable.

#### 5 SEC. 6. REPLACEMENT WATER FUND; CONTRACTS.

- 6 (a) Fund. The Secretary shall establish a fund to
- 7 be known as the "Verde River Basin Water Fund" (here-
- 8 inafter called the "Fund") to provide replacement water
- 9 for the CAP water relinquished by the Tribe and by Pres-
- 10 cott. Moneys in the Fund shall be available without fiscal
- 11 year limitations.
- 12 (b) Content of Fund.—The Fund shall consist of
- 13 moneys appropriated to it pursuant to the authorization
- 14 in section 9(a), and any moneys returned to the Fund pur-
- 15 suant to subsection (d).
- 16 (c) PAYMENTS FROM FUND.—The Secretary shall,
- 17 subsequent to the publication of a statement of findings
- 18 as provided in section 12(a), cause to be paid from the
- 19 Fund to the Tribe and to Prescott an amount equal to
- 20 the number of acre-feet of CAP water relinquished by the
- 21 Tribe and by Prescott times a value to be negotiated by
- 22 the Secretary with the Tribe and Prescott, respectively,
- 23 together with interest as provided in section 9(b).
- 24 (d) Contracts. The Secretary shall require, as a
- 25 condition precedent to the payment of any moneys pursu-

- 1 ant to subsection (c), that the Tribe and Prescott agree,
- 2 by contract with the Secretary, to establish trust accounts
- 3 into which the payments would be deposited and adminis-
- 4 tered, to use such moneys consistent with the purpose and
- 5 intent of section 7, to provide for audits of such accounts,
- 6 and for the repayment to the Fund, with interest, any
- 7 amount determined by the Secretary not to have been used
- 8 within the purpose and intent of section 7.

#### 9 SEC. 7. EXPENDITURES OF FUNDS.

- 10 (a) By the City.—All moneys paid to Prescott for
- 11 relinquishing its CAP subcontract to the Secretary and de-
- 12 posited into a trust account pursuant to section 6(d), shall
- 13 be used for the purposes of defraying expenses associated
- 14 with the investigation, acquisition or development of alter-
- 15 native sources of water to replace the CAP water relin-
- 16 quished under this Act. Alternative sources shall be under-
- 17 stood to include, but not be limited to, retirement of agri-
- 18 cultural land and acquisition of associated water rights,
- 19 development of ground water resources outside the Pres-
- 20 cott Active Management Area established pursuant to the
- 21 laws of the State of Arizona, and artificial recharge.
- 22 (b) By THE TRIBE.—All funds paid to the Tribe for
- 23 relinquishing its CAP contract to the Secretary, and de-
- 24 posited into a trust account pursuant to section 6(d), shall
- 25 be used to defray its water service costs under the Water

- 1 Service Agreement or to develop and maintain facilities
- 2 for on-reservation water or effluent use.
- 3 (c) No PER CAPITA PAYMENTS.—No amount of the
- 4 Tribe's portion of the Fund may be used to make per cap-
- 5 ita payments to any member of the Tribe, nor may any
- 6 amount of any payment made pursuant to section 6(c) be
- 7 distributed as a dividend or per capita payment to any
- 8 constituent, member, shareholder, director or employee of
- 9 Prescott.
- 10 (d) DISCLAIMER.—Effective with the payment of
- 11 funds pursuant to section 6(c), the United States shall not
- 12 be liable for any claim or cause of action arising from the
- 13 use of such funds by the Tribe or by Prescott.
- 14 SEC. 8. ENVIRONMENTAL COMPLIANCE.
- 15 The Secretary, the Tribe and Prescott shall comply
- 16 with all applicable Federal environmental and State envi-
- 17 ronmental and water laws in developing alternative water
- 18 sources pursuant to section 7(a). Development of such al-
- 19 ternative water sources shall not be inconsistent with the
- 20 goals of the Prescott Active Management Area, preserva-
- 21 tion of the riparian habitat, flows and biota of the Verde
- 22 River and its tributaries.

#### SEC. 9. APPROPRIATIONS AUTHORIZATION AND REPEAL.

2	(a) Authoriza	TION.—There are	authorized to	be ap-
3	propriated to the F	<del>Fund established</del>	<del>pursuant to</del>	section
4	<del>6(a):</del>			

- (1) Such sums as may be required to meet the amount agreed upon by the Secretary, city of Prescott, and the Yavapai-Prescott Tribe as necessary for the acquisition of the CAP contract of the Tribe and the CAP subcontract of the city of Prescott, plus an amount necessary for any accrued interest in accordance with subsection (b).
  - (2) Such sums as may be necessary, but not to exceed \$200,000, to the Secretary for the Tribe's costs associated with judicial confirmation of the settlement.
- (3) Such sums as may be necessary to provide for the study required under section 11(d).
- 18 (4) Such sums as may be necessary to estab-19 lish, maintain and operate the gauging station re-20 quired under section 11(e).
- 21 (b) INTEREST.—Interest shall accrue and be paid by 22 the United States on the amount authorized in subsection 23 (a)(1) beginning October 1, 1993, or the date the agree-
- 24 ment referred to in subsection (a) is entered into, which-
- 25 ever last occurs, and shall continue to accrue until appro-
- 26 priated, at rates determined by the Secretary of the Treas-

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- 1 ury, taking into consideration the average market yield on
- 2 outstanding Federal obligations of comparable maturity.
- 3 (c) STATE CONTRIBUTION.—The State of Arizona
- 4 shall contribute \$200,000 to the trust account established
- 5 by the Tribe pursuant to the Settlement Agreement and
- 6 section 6(d) for uses consistent with section 7(b).
- 7 (d) Repeal.—Subsection 406(k) of the Act of No-
- 8 vember 28, 1990 (Public Law 101–628; 104 Stat. 4487)
- 9 is repealed.

#### 10 SEC. 10. SATISFACTION OF CLAIMS.

- 11 (a) WAIVER.—The benefits realized by the Tribe and
- 12 its members under the Settlement Agreement and this Act
- 13 shall constitute full and complete satisfaction of all mem-
- 4 bers' claims for water rights or injuries to water rights
- 15 under Federal and State laws (including claims for water
- 16 rights in ground water, surface water and effluent) from
- 17 time immemorial to the effective date of this Act, and for
- 18 any and all future claims of water rights (including claims
- 19 for water rights in ground water, surface water, and efflu-
- 20 ent) from and after the effective date of this Act. Nothing
- 21 in this Act shall be deemed to recognize or establish any
- 22 right of a member of the Tribe to water on the Tribe's
- 23 reservation.
- 24 (b) WAIVER AND RELEASE.—The Tribe, on behalf of
- 25 itself and its members, and the Secretary on behalf of the

- 1 United States, are authorized and required, as a condition
- 2 to the implementation of this Act, to execute a waiver and
- 3 release, except as provided in subsection (d) and the Set-
- 4 tlement Agreement, of all claims of water rights or injuries
- 5 to water rights (including water rights in ground water,
- 6 surface water and effluent), from and after the effective
- 7 date of this Act, which the Tribe and its members may
- 8 have, against the United States, the State of Arizona or
- 9 any agency or political subdivision thereof, or any other
- 10 <del>person, corporation, or municipal corporation, arising</del>
- 11 under the laws of the United States or the State of Ari-
- 12 <del>zona.</del>
- 13 (c) Waiver by United States. Except as pro-
- 14 vided in subsection (d) and the Settlement Agreement, the
- 15 United States, in its own right or on behalf of the Tribe,
- 16 shall not assert any claim against the State of Arizona
- 17 or any political subdivision thereof, or against any other
- 18 person, corporation, or municipal corporation, arising
- 19 under the laws of the United States or the State of Ari-
- 20 zona based upon water rights or injuries to water rights
- 21 of the Tribe and its members or based upon water rights
- 22 or injuries to water rights held by the United States on
- 23 behalf of the Tribe and its members.
- 24 (d) RIGHTS RETAINED.—In the event the waivers of
- 25 claims authorized in subsection (b) of this section do not

- 1 become effective pursuant to section 12(a), the Tribe, and
- 2 the United States on behalf of the Tribe, shall retain the
- 3 right to assert past and future water rights claims as to
- 4 all reservation lands.
- 5 (e) JURISDICTION.—The United States District
- 6 Court for the District of Arizona shall have original juris-
- 7 diction of all actions arising under this Act, the Settlement
- 8 Agreement and the Water Service Agreement, including
- 9 review pursuant to title 9, United States Code, of any ar-
- 10 bitration and award under the Water Service Agreement.
- 11 (f) CLAIMS.—Nothing in this Act shall be deemed to
- 12 prohibit the Tribe, or the United States on behalf of the
- 13 Tribe, from asserting or maintaining any claims for the
- 14 breach or enforcement of the Settlement Agreement or the
- 15 Water Service Agreement.
- 16 (g) DISCLAIMER.—Nothing in this Act shall affect
- 17 the water rights or claims related to any trust allotment
- 18 located outside the exterior boundaries of the reservation
- 19 of any member of the Tribe.
- 20 (h) Full Satisfaction of Claims. Payments
- 21 made to Prescott under this Act shall be in full satisfac-
- 22 tion for any claim that Prescott might have against the
- 23 Secretary or the United States related to the allocation,
- 24 reallocation, relinquishment or delivery of CAP water.

#### SEC. 11. MISCELLANEOUS PROVISIONS.

- 2 (a) JOINING OF PARTIES.—In the event any party
- 3 to the Settlement Agreement should file a lawsuit in any
- 4 United States district court relating only and directly to
- 5 the interpretation or enforcement of the Settlement Agree-
- 6 ment or this Act, naming the United States of America
- 7 or the Tribe as parties, authorization is hereby granted
- 8 to join the United States of America or the Tribe, or both,
- 9 in any such litigation, and any claim by the United States
- 10 of America or the Tribe to sovereign immunity from such
- 11 suit is hereby waived. In the event Prescott submits a dis-
- 12 pute under the Water Service Agreement to arbitration
- 13 or seeks review by the United States District Court for
- 14 the District of Arizona of an arbitration award under the
- 15 Water Service Agreement, any claim by the Tribe to sov-
- 16 ereign immunity from such arbitration or review is hereby
- 17 waived.
- 18 (b) No REIMBURSEMENT. The United States of
- 19 America shall make no claims for reimbursement of costs
- 20 arising out of the implementation of the Settlement Agree-
- 21 ment or this Act against any lands within the Yavapai-
- 22 Prescott Indian Reservation, and no assessment shall be
- 23 made with regard to such costs against such lands.
- 24 (c) Ground Water Management Plan.—The Sec-
- 25 retary, in consultation with the Tribe, is authorized to es-
- 26 tablish a ground water management plan for the reserva-

- 1 tion which, except as is necessary to be consistent with
- 2 the Water Service Agreement, the Settlement Agreement
- 3 and this Act, will be compatible with the ground water
- 4 management plan in effect for the Prescott Active Man-
- 5 agement Area. In establishing a ground water manage-
- 6 ment plan pursuant to this section, the Secretary may con-
- 7 sult with the Arizona Department of Water Resources or
- 8 the Prescott Active Management Area Director.
- 9 (d) Water Study.—The Secretary is authorized and
- 10 directed to study the sources and costs of water supplies
- 11 which may be available to fulfill the trust responsibility
- 12 of the United States to the Tonto Apache Tribe of Arizona
- 13 with respect to water. Sources to be studied shall include
- 14 water service from the town of Payson, Arizona. The study
- 15 shall be commenced within 180 days after the enactment
- 16 of this Act and shall be completed within 1 year after it
- 17 is commenced. Copies of this study shall be provided to
- 18 the Committee on Interior and Insular Affairs of the
- 19 House of Representatives and the Select Committee on In-
- 20 dian Affairs of the Senate.
- 21 (e) Gauging Station.—The Secretary, acting
- 22 through the Geological Survey, shall establish, maintain
- 23 and operate a gauging station at the State Highway 89
- 24 bridge across Granite Creek adjacent to the reservation
- 25 to assist the Tribe and the CVID in allocating the surface

- flows from Granite Creek as provided in the Settlement Agreement. 2 SEC. 12. EFFECTIVE DATE. (a) WAIVERS AND RELEASES.—The waivers and re-4 leases required by section 10(b) of this Act shall become effective as of the date the Secretary causes to be published in the Federal Register a statement of findings 8 that— (1) the Secretary has executed contracts for the 9 acquisition of the Tribe's CAP contract and the city 10 11 of Prescott's CAP subcontract as provided in section 12 6(d); 13 (2) the stipulation which is attached to the Set-14 tlement Agreement as exhibit 9.5, has been approved 15 in substantially the form of such exhibit no later 16 than December 31, 1994, such approval conditioned 17 upon subsequent appropriation of funds authorized 18 in section 9(a)(1) and deposit of such funds into the 19 Tribe's and Prescott's respective trust accounts; 20 (3) the Settlement Agreement has been modi-21 fied to the extent it is in conflict with this Act and 22 has been executed by the Secretary; and
  - (4) the State of Arizona has appropriated and deposited into the Tribe's trust account \$200,000 as required by the Settlement Agreement.

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- 1 (b) DEADLINE.—If the actions described in para-
- 2 graphs (1), (2), (3), and (4) of subsection (a) have not
- 3 occurred by December 31, 1995, any contract between
- 4 Prescott and the United States entered into pursuant to
- 5 section 6(d) shall not thereafter be effective, any funds
- 6 appropriated pursuant to section 9(a)(1) shall be returned
- 7 to the Treasury of the United States, and any funds ap-
- 8 propriated by the State of Arizona pursuant to the Settle-
- 9 ment Agreement shall be returned by the Tribe to the
- 10 State of Arizona.

#### 11 SEC. 13. OTHER CLAIMS.

- 12 (a) OTHER TRIBES. Nothing in the Settlement
- 13 Agreement or this Act shall be construed in any way to
- 14 quantify or otherwise adversely affect the land and water
- 15 rights, claims or entitlements to water of any Arizona In-
- 16 dian tribe, band or community, other than the Tribe.
- 17 (b) FEDERAL AGENCIES.—Nothing in this Act shall
- 18 be construed to affect the water rights or the water rights
- 19 claims of any Federal agency, other than the Bureau of
- 20 Indian Affairs on behalf of the Tribe.
- 21 **SECTION 1. SHORT TITLE.**
- 22 This Act may be cited as the "Yavapai-Prescott Indian
- 23 Tribe Water Rights Settlement Act of 1994".
- 24 SEC. 2. CONGRESSIONAL FINDINGS AND DECLARATIONS.
- 25 (a) Findings.—The Congress finds that—

- 1 (1) it is the policy of the United States, in ful-2 fillment of its trust responsibility to the Indian tribes, 3 to promote Indian self-determination and economic 4 self-sufficiency, and to settle, wherever possible, the 5 water rights claims of Indian tribes without lengthy 6 and costly litigation;
  - (2) meaningful Indian self-determination and economic self-sufficiency depend on the development of viable Indian reservation economies:
  - (3) quantification of rights to water and development of facilities needed to utilize tribal water supplies effectively is essential to the development of viable Indian reservation economies, particularly in arid western States;
  - (4) on June 7, 1935, and by actions subsequent thereto, the United States established a reservation for the Yavapai-Prescott Indian Tribe in Arizona adjacent to the city of Prescott;
  - (5) proceedings to determine the full extent of Yavapai-Prescott Tribe's water rights are currently pending before the Superior Court of the State of Arizona in and for Maricopa County, as part of the general adjudication of the Gila River system and source;
  - (6) recognizing that final resolution of the general adjudication will take many years and entail

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great expense to all parties, prolong uncertainty as to the full extent of the Yavapai-Prescott Tribe's entitlement to water and the availability of water supplies to fulfill that entitlement, and impair orderly planning and development by the Tribe and the city of Prescott; the Tribe, the city of Prescott, the Chino Valley Irrigation District, the State of Arizona and the United States have sought to settle all claims to water between and among them;

(7) representatives of the Yavapai-Prescott Tribe, the city of Prescott, the Chino Valley Irrigation District, the State of Arizona and the United States have negotiated a Settlement Agreement to resolve all water rights claims between and among them, and to provide the Tribe with long term, reliable water supplies for the orderly development and maintenance of the Tribe's reservation;

(8) pursuant to the Settlement Agreement and the Water Service Agreement, the quantity of water made available to the Yavapai-Prescott Tribe by the city of Prescott and the Chino Valley Irrigation District will be secured, such Agreements will be continued in perpetuity, and the Tribe's continued on-reservation use of water for municipal and industrial,

1	recreational and agricultural purposes will be pro-
2	vided for;
3	(9) to advance the goals of Federal Indian policy
4	and to fulfill the trust responsibility of the United
5	States to the Tribe, it is appropriate that the United
6	States participate in the implementation of the Set-
7	tlement Agreement and assist in firming up the long-
8	term water supplies of the city of Prescott and the
9	Yavapai-Prescott Tribe so as to enable the Tribe to
10	utilize fully its water entitlements in developing a di-
11	verse, efficient reservation economy; and
12	(10) the assignment of the CAP contract of the
13	Yavapai-Prescott Tribe and the CAP subcontract of
14	the city of Prescott is a cost-effective means to ensure
15	reliable, long-term water supplies for the Yavapai-
16	Prescott Tribe and to promote efficient, environ-
17	mentally sound use of available water supplies in the
18	Verde River basin.
19	(b) Declaration of Purposes.—The Congress de-
20	clares that the purposes of this Act are—
21	(1) to approve, ratify and confirm the Settlement
22	Agreement among the Yavapai-Prescott Tribe, the city
23	of Prescott, the Chino Valley Irrigation District, the
24	State of Arizona and the United States:

1	(2) to authorize and direct the Secretary of the
2	Interior to execute and perform the Settlement Agree-
3	ment;
4	(3) to authorize the actions and appropriations
5	necessary for the United States to fulfill its legal and
6	trust obligations to the Yavapai-Prescott Tribe as pro-
7	vided in the Settlement Agreement and this Act;
8	(4) to require that expenditures of funds obtained
9	through the assignment of CAP contract entitlements
10	by the Yavapai-Prescott Tribe and Prescott for the ac-
11	quisition or development of replacement water sup-
12	plies in the Verde River basin shall not be inconsist-
13	ent with the goals of the Prescott Active Management
14	Area, preservation of riparian habitat, flows and
15	biota of the Verde River and its tributaries; and
16	(5) to repeal section 406(k) of Public Law 101-
17	628 which authorizes \$30,000,000 in appropriations
18	for the acquisition of land and water resources in the
19	Verde River basin and for the development thereof as
20	an alternative source of water for the Fort McDowell
21	Indian Community.
22	SEC. 3. DEFINITIONS.
23	For purposes of this Act:
24	(1) The term "CAP" means the Central Arizona
25	Project, a reclamation project authorized under title

- III of the Colorado River Basin Project Act of 1968
   (43 U.S.C. 1521 et seq.).
- 3 (2) The term "CAWCD" means the Central Ari-4 zona Water Conservation District, organized under 5 the laws of the State of Arizona, which is the contrac-6 tor under a contract with the United States, dated 7 December 1, 1988, for the delivery of water and re-8 payment of costs of the Central Arizona Project.
  - (3) The term "CVID" means the Chino Valley Irrigation District, an irrigation district organized under the laws of the State of Arizona.
  - (4) The term "Prescott AMA" means the Active Management Area, established pursuant to Arizona law and encompassing the Prescott ground water basin, wherein the primary goal is to achieve balance between annual ground water withdrawals and natural and artificial recharge by the year 2025.
  - (5) The term "Prescott" means the city of Prescott, an Arizona municipal corporation.
  - (6) The term "Reservation" means the reservation established by the Act of June 7, 1935 (49 Stat. 332) and the Act of May 18, 1956 (70 Stat. 157) for the Yavapai-Prescott Tribe of Indians.
- 24 (7) The term "Secretary" means the Secretary of 25 the United States Department of the Interior.

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- 1 (8) The term "Settlement Agreement" means that
  2 agreement entered into by the city of Prescott, the
  3 Chino Valley Irrigation District, the Yavapai-Prescott
  4 Indian Tribe, the State of Arizona, and the United
  5 States, providing for the settlement of all water
  6 claims between and among them.
  - (9) The term "Tribe" means the Yavapai-Prescott Indian Tribe, a tribe of Yavapai Indians duly recognized by the Secretary.
- 10 (10) The term "Water Service Agreement" means
  11 that agreement between the Yavapai-Prescott Indian
  12 Tribe and the city of Prescott, as approved by the
  13 Secretary, providing for water, sewer, and effluent
  14 service from the city of Prescott to the Yavapai15 Prescott Tribe.

#### 16 SEC. 4. RATIFICATION OF SETTLEMENT AGREEMENT.

17 (a) Approval of Settlement Agreement Agreement.—To the
18 extent the Settlement Agreement does not conflict with the
19 provisions of this Act, such Agreement is approved, ratified
20 and confirmed. The Secretary shall execute and perform
21 such Agreement, and shall execute any amendments to the
22 Agreement and perform any action required by any amend23 ments to the Agreement which may be mutually agreed
24 upon by the parties.

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- 1 (b) Perpetuity.—The Settlement Agreement and
- 2 Water Service Agreement shall include provisions which
- 3 will ensure that the benefits to the Tribe thereunder shall
- 4 be secure in perpetuity. Notwithstanding the provisions of
- 5 section 2103 of the Revised Statutes of the United States
- 6 (25 U.S.C. 81) relating to the term of the Agreement, the
- 7 Secretary is authorized and directed to approve the Water
- 8 Service Agreement with a perpetual term.

#### 9 SEC. 5. ASSIGNMENT OF CAP WATER.

- 10 The Secretary is authorized and directed to arrange
- 11 for the assignment of, or to purchase, the CAP contract of
- 12 the Tribe and the CAP subcontract of the city of Prescott
- 13 to provide funds for deposit into the Verde River Basin
- 14 Water Fund established pursuant to section 6.

#### 15 SEC. 6. REPLACEMENT WATER FUND; CONTRACTS.

- 16 (a) Fund.—The Secretary shall establish a fund to be
- 17 known as the "Verde River Basin Water Fund" (hereinafter
- 18 called the "Fund") to provide replacement water for the
- 19 CAP water relinquished by the Tribe and by Prescott.
- 20 Moneys in the Fund shall be available without fiscal year
- 21 limitations.
- 22 (b) Content of Fund.—The Fund shall consist of
- 23 moneys obtained through the assignment or purchase of the
- 24 contract and subcontract referenced in section 5, appropria-

- 1 tions as authorized in section 9, and any moneys returned
- 2 to the Fund pursuant to subsection (d) of this section.
- 3 (c) Payments From Fund.—The Secretary shall, sub-
- 4 sequent to the publication of a statement of findings as pro-
- 5 vided in section 12(a), promptly cause to be paid from the
- 6 Fund to the Tribe the amounts deposited to the Fund from
- 7 the assignment or purchase of the Tribe's CAP contract,
- 8 and, to the city of Prescott, the amounts deposited to the
- 9 Fund from the assignment or purchase of the city's CAP
- 10 subcontract.
- 11 (d) Contracts.—The Secretary shall require, as a
- 12 condition precedent to the payment of any moneys pursuant
- 13 to subsection (c), that the Tribe and Prescott agree, by con-
- 14 tract with the Secretary, to establish trust accounts into
- 15 which the payments would be deposited and administered,
- 16 to use such moneys consistent with the purpose and intent
- 17 of section 7, to provide for audits of such accounts, and
- 18 for the repayment to the Fund, with interest, any amount
- 19 determined by the Secretary not to have been used within
- 20 the purpose and intent of section 7.

#### 21 SEC. 7. EXPENDITURES OF FUNDS.

- 22 (a) By the City.—All moneys paid to Prescott for
- 23 relinquishing its CAP subcontract and deposited into a
- 24 trust account pursuant to section 6(d), shall be used for the
- 25 purposes of defraying expenses associated with the inves-

- 1 tigation, acquisition or development of alternative sources
- 2 of water to replace the CAP water relinquished under this
- 3 Act. Alternative sources shall be understood to include, but
- 4 not be limited to, retirement of agricultural land and acqui-
- 5 sition of associated water rights, development of ground
- 6 water resources outside the Prescott Active Management
- 7 Area established pursuant to the laws of the State of Ari-
- 8 zona, and artificial recharge; except that none of the moneys
- 9 paid to Prescott may be used for construction or renovation
- 10 of the city's existing waterworks or water delivery system.
- 11 (b) By the Tribe.—All funds paid to the Tribe for
- 12 relinquishing its CAP contract and deposited into a trust
- 13 account pursuant to section 6(d), shall be used to defray
- 14 its water service costs under the Water Service Agreement
- 15 or to develop and maintain facilities for on-reservation
- 16 water or effluent use.
- 17 (c) No Per Capita Payments.—No amount of the
- 18 Tribe's portion of the Fund may be used to make per capita
- 19 payments to any member of the Tribe, nor may any amount
- 20 of any payment made pursuant to section 6(c) be distrib-
- 21 uted as a dividend or per capita payment to any constitu-
- 22 ent, member, shareholder, director or employee of Prescott.
- 23 (d) Disclaimer.—Effective with the payment of funds
- 24 pursuant to section 6(c), the United States shall not be lia-

- 1 ble for any claim or cause of action arising from the use
- 2 of such funds by the Tribe or by Prescott.

#### 3 SEC. 8. ENVIRONMENTAL COMPLIANCE.

- 4 The Secretary, the Tribe and Prescott shall comply
- 5 with all applicable Federal environmental and State envi-
- 6 ronmental and water laws in developing alternative water
- 7 sources pursuant to section 7(a). Development of such alter-
- 8 native water sources shall not be inconsistent with the goals
- 9 of the Prescott Active Management Area, preservation of the
- 10 riparian habitat, flows and biota of the Verde River and
- 11 its tributaries.

#### 12 SEC. 9. APPROPRIATIONS AUTHORIZATION AND REPEAL.

- 13 (a) AUTHORIZATION.—There are authorized to be ap-
- 14 propriated to the Fund established pursuant to section 6(a):
- 15 (1) Such sums as may be necessary, but not to
- exceed \$200,000, to the Secretary for the Tribe's costs
- 17 associated with judicial confirmation of the settle-
- 18 *ment.*
- 19 (2) Such sums as may be necessary to establish,
- 20 maintain and operate the gauging station required
- 21 under section 11(e).
- 22 (b) State Contribution.—The State of Arizona shall
- 23 contribute \$200,000 to the trust account established by the
- 24 Tribe pursuant to the Settlement Agreement and section
- 25 6(d) for uses consistent with section 7(b).

- 1 (c) Repeal.—Subsection 406(k) of the Act of Novem-
- 2 ber 28, 1990 (Public Law 101-628; 104 Stat. 4487) is
- 3 repealed.

#### 4 SEC. 10. SATISFACTION OF CLAIMS.

- 5 (a) Waiver.—The benefits realized by the Tribe or any
- 6 of its members under the Settlement Agreement and this
- 7 Act shall constitute full and complete satisfaction of all
- 8 claims by the Tribe and all members' claims for water
- 9 rights or injuries to water rights under Federal and State
- 10 laws (including claims for water rights in ground water,
- 11 surface water and effluent) from time immemorial to the
- 12 effective date of this Act, and for any and all future claims
- 13 of water rights (including claims for water rights in ground
- 14 water, surface water, and effluent) from and after the effec-
- 15 tive date of this Act. Nothing in this Act shall be deemed
- 16 to recognize or establish any right of a member of the Tribe
- 17 to water on the Tribe's reservation.
- 18 (b) Waiver and Release.—The Tribe, on behalf of
- 19 itself and its members, and the Secretary on behalf of the
- 20 United States, are authorized and required, as a condition
- 21 to the implementation of this Act, to execute a waiver and
- 22 release, except as provided in subsection (d) and the Settle-
- 23 ment Agreement, of all claims of water rights or injuries
- 24 to water rights (including water rights in ground water,
- 25 surface water and effluent), from and after the effective date

- 1 of this Act, which the Tribe and its members may have,
- 2 against the United States, the State of Arizona or any agen-
- 3 cy or political subdivision thereof, or any other person, cor-
- 4 poration, or municipal corporation, arising under the laws
- 5 of the United States or the State of Arizona.
- 6 (c) Waiver by United States.—Except as provided
- 7 in subsection (d) and the Settlement Agreement, the United
- 8 States, in its own right or on behalf of the Tribe, shall not
- 9 assert any claim against the State of Arizona or any politi-
- 10 cal subdivision thereof, or against any other person, cor-
- 11 poration, or municipal corporation, arising under the laws
- 12 of the United States or the State of Arizona based upon
- 13 water rights or injuries to water rights of the Tribe and
- 14 its members or based upon water rights or injuries to water
- 15 rights held by the United States on behalf of the Tribe and
- 16 its members.
- 17 (d) Rights Retained.—In the event the waivers of
- 18 claims authorized in subsection (b) of this section do not
- 19 become effective pursuant to section 12(a), the Tribe, and
- 20 the United States on behalf of the Tribe, shall retain the
- 21 right to assert past and future water rights claims as to
- 22 all reservation lands.
- 23 (e) Jurisdiction.—The United States District Court
- 24 for the District of Arizona shall have original jurisdiction
- 25 of all actions arising under this Act, the Settlement Agree-

- 1 ment and the Water Service Agreement, including review
- 2 pursuant to title 9, United States Code, of any arbitration
- 3 and award under the Water Service Agreement.
- 4 (f) Claims.—Nothing in this Act shall be deemed to
- 5 prohibit the Tribe, or the United States on behalf of the
- 6 Tribe, from asserting or maintaining any claims for the
- 7 breach or enforcement of the Settlement Agreement or the
- 8 Water Service Agreement.
- 9 (g) Disclaimer.—Nothing in this Act shall affect the
- 10 water rights or claims related to any trust allotment located
- 11 outside the exterior boundaries of the reservation of any
- 12 member of the Tribe.
- 13 (h) Full Satisfaction of Claims.—Payments made
- 14 to Prescott under this Act shall be in full satisfaction for
- 15 any claim that Prescott might have against the Secretary
- 16 or the United States related to the allocation, reallocation,
- 17 relinquishment or delivery of CAP water.

#### 18 SEC. 11. MISCELLANEOUS PROVISIONS.

- 19 (a) Joining of Parties.—In the event any party to
- 20 the Settlement Agreement should file a lawsuit in any Unit-
- 21 ed States district court relating only and directly to the
- 22 interpretation or enforcement of the Settlement Agreement
- 23 or this Act, naming the United States of America or the
- 24 Tribe as parties, authorization is hereby granted to join the
- 25 United States of America or the Tribe, or both, in any such

- 1 litigation, and any claim by the United States of America
- 2 or the Tribe to sovereign immunity from such suit is hereby
- 3 waived. In the event Prescott submits a dispute under the
- 4 Water Service Agreement to arbitration or seeks review by
- 5 the United States District Court for the District of Arizona
- 6 of an arbitration award under the Water Service Agree-
- 7 ment, any claim by the Tribe to sovereign immunity from
- 8 such arbitration or review is hereby waived.
- 9 (b) No Reimbursement.—The United States of
- 10 America shall make no claims for reimbursement of costs
- 11 arising out of the implementation of the Settlement Agree-
- 12 ment or this Act against any lands within the Yavapai-
- 13 Prescott Indian Reservation, and no assessment shall be
- 14 made with regard to such costs against such lands.
- 15 (c) Water Management.—The Tribe shall establish
- 16 a ground water management plan for the Reservation
- 17 which, except to be consistent with the Water Service Agree-
- 18 ment, the Settlement Agreement and this Act, will be com-
- 19 patible with the ground water management plan in effect
- 20 for the Prescott Active Management Area and will include
- 21 an annual information exchange with the Arizona Depart-
- 22 ment of Water Resources. In establishing a ground water
- 23 management plan pursuant to this section, the Tribe may
- 24 enter into a Memorandum of Understanding with the Ari-
- 25 zona Department of Water Resources for consultation. Not-

- 1 withstanding any other law, the Tribe may establish a trib-
- 2 al water code, consistent with the above-described water
- 3 management plan, under which the Tribe will manage, reg-
- 4 ulate, and control the water resources granted it in the Set-
- 5 tlement Act, the Settlement Agreement, and the Water Serv-
- 6 ice Agreement, except that such management, regulation
- 7 and control shall not authorize any action inconsistent with
- 8 the trust ownership of the Tribe's water resources.
- 9 (d) Gauging Station.—The Secretary, acting
- 10 through the Geological Survey, shall establish, maintain
- 11 and operate a gauging station at the State Highway 89
- 12 bridge across Granite Creek adjacent to the reservation to
- 13 assist the Tribe and the CVID in allocating the surface flows
- 14 from Granite Creek as provided in the Settlement Agree-
- 15 ment.

#### 16 SEC. 12. EFFECTIVE DATE.

- 17 (a) Waivers and Releases.—The waivers and re-
- 18 leases required by section 10(b) of this Act shall become ef-
- 19 fective as of the date the Secretary causes to be published
- 20 in the Federal Register a statement of findings that—
- 21 (1)(A) the Secretary has determined that an ac-
- ceptable party, or parties, have executed contracts for
- 23 the assignments of the Tribe's CAP contract and the
- 24 city of Prescott's CAP subcontract, and the proceeds

from the assignments have been deposited into the 1 2 Fund as provided in section 6(d); or, (B) the Secretary has executed contracts for the 3 acquisition of the Tribe's CAP contract and the city 4 5 of Prescott's CAP subcontract as provided in section 6 6(d): 7 (2) the stipulation which is attached to the Settlement Agreement as exhibit 9.5, has been approved 8 in substantially the form of such exhibit no later than 9 December 31, 1994; 10 (3) the Settlement Agreement has been modified 11 to the extent it is in conflict with this Act and has 12 13 been executed by the Secretary; and (4) the State of Arizona has appropriated and 14 15 deposited into the Tribe's trust account \$200,000 as required by the Settlement Agreement. 16 17 (b) Deadline.—If the actions described in paragraphs (1), (2), (3), and (4) of subsection (a) have not occurred 18 by December 31, 1995, any contract between Prescott and the United States entered into pursuant to section 6(d) shall not thereafter be effective, and any funds appropriated by the State of Arizona pursuant to the Settlement Agreement

shall be returned by the Tribe to the State of Arizona.

#### 1 SEC. 13. OTHER CLAIMS.

- 2 (a) Other Tribes.—Nothing in the Settlement Agree-
- 3 ment or this Act shall be construed in any way to quantify
- 4 or otherwise adversely affect the land and water rights,
- 5 claims or entitlements to water of any Arizona Indian tribe,
- 6 band or community, other than the Tribe.
- 7 (b) FEDERAL AGENCIES.—Nothing in this Act shall be
- 8 construed to affect the water rights or the water rights
- 9 claims of any Federal agency, other than the Bureau of
- 10 Indian Affairs on behalf of the Tribe.
  - S 1146 RS——2
  - S 1146 RS——3